



Reprinted
March 1, 2005

SENATE BILL No. 524

DIGEST OF SB 524 (Updated February 28, 2005 8:17 pm - DI 73)

Citations Affected: IC 6-1.1; IC 36-7.

Synopsis: Tax sales and redevelopment. Provides that the purchaser of a certificate of sale at a tax sale may: (1) inspect the property; (2) perform any repair necessary to satisfy an order issued under the unsafe building law; and (3) perform any act necessary to abate a public nuisance. Provides that the expenditures made by the purchaser in taking these actions are included in the cost of redeeming the property. Provides that certain costs of enforcing the unsafe building law for a particular property become a lien on the property of an officer or a director of the property owner or a shareholder, a partner, a member, or another person owning more than a 10% interest in the property owner. Specifies the costs to be considered in the appraisal of property under certain eminent domain proceedings initiated by a redevelopment commission. Allows all counties to use a provision currently applicable only to the metropolitan development commission in Marion County that allows the county to acquire certain property at tax sales for redevelopment purposes. Amends the definition of "blighted area" for purposes of the planning and development law.

Effective: July 1, 2005.

Wyss, Broden

January 20, 2005, read first time and referred to Committee on Governmental Affairs and Interstate Cooperation.
February 24, 2005, amended, reported favorably — Do Pass.
February 28, 2005, read second time, amended, ordered engrossed.

SB 524—LS 7953/DI 73+



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March 1, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 524

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-24-1.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.5. (a) This section
3 applies to ~~a county having a consolidated city~~; **all counties**.

4 **(b) As used in this section, "commission" means the following:**

5 **(1) The metropolitan development commission in a county**
6 **containing a consolidated city.**

7 **(2) The county executive or the county executive's designee in**
8 **a county not containing a consolidated city.**

9 ~~(b)~~ **(c)** The ~~metropolitan development~~ commission shall designate
10 the real property on the list prepared under section 4.5(b) of this
11 chapter that is eligible for listing on the list prepared under subsection
12 ~~(d)~~; **(e)**.

13 ~~(c)~~ **(d)** The commission may designate real property for inclusion on
14 the list if the commission finds that the real property:

15 **(1) is an unsafe premises as determined under IC 36-7-9 and is**
16 **subject to:**

17 **(A) an order issued under IC 36-7-9; or**

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(B) a notice of violation issued by the county's health and hospital corporation under IC 16-22-8 **in a county containing a consolidated city; or**

(C) a notice of violation issued by the county health department in a county not containing a consolidated city;

(2) is not being used as a residence or for a business enterprise; and

(3) is suitable for rehabilitation or development that will benefit or serve low or moderate income families.

~~(d)~~ **(e)** The commission shall prepare a list of properties designated under subsection ~~(b)~~ **(c)** and certify the list to the county auditor no later than sixty-one (61) days prior to the earliest date on which application for judgment and order for sale may be made.

~~(e)~~ **(f)** Upon receiving the list described in subsection ~~(d)~~; **(e)**, the county auditor shall:

(1) prepare a list of the properties certified by the commission; and

(2) delete any property described in that list from the delinquent tax list prepared under section 1 of this chapter.

~~(f)~~ **(g)** If the county auditor receives an owner's affidavit under section 4.1 of this chapter, the auditor shall, upon determining that the information contained in the affidavit is correct, remove the property from the list prepared under subsection ~~(e)~~ **(f)** and restore the property to the list prepared under section 1 of this chapter.

SECTION 2. IC 6-1.1-24-2.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.2. (a) This section applies to ~~a county having a consolidated city;~~ **all counties.**

(b) Whenever a notice required under section 2 of this chapter includes real property on the list prepared under ~~section 1.5(e)~~ **section 1.5(f)** of this chapter, the notice must also contain a statement that:

(1) the property is on the alternate list prepared under ~~section 1.5(e)~~ **section 1.5(f)** of this chapter;

(2) the owner of the property may file an affidavit with the county auditor no later than twenty (20) days following the date of the notice indicating that the residential structure located on the property is:

(A) habitable under state law and any ordinance of the political subdivision where the property is located; and

(B) has been occupied as a permanent residence for the six (6) month period preceding the date of the notice;

(3) if the auditor determines that the statements made in the affidavit are correct, the auditor will remove the property from the

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list prepared under ~~section 1.5(e)~~ **section 1.5(f)** of this chapter and restore the parcel to the delinquent tax list prepared under section 1 of this chapter;

(4) if the property is not redeemed within one hundred twenty (120) days after the date of sale the county auditor shall execute and deliver a deed for the property to the purchaser or purchaser's assignee; and

(5) if the property is offered for sale and a bid is not received for at least the amount required under section 5 of this chapter, the county auditor may execute and deliver a deed for the property to the purchasing agency under IC 36-7-17, subject to IC 6-1.1-25.

SECTION 3. IC 6-1.1-24-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) Not less than twenty-one (21) days before the earliest date on which the application for judgment and order for sale of real property eligible for sale may be made, the county auditor shall send a notice of the sale by certified mail to:

(1) the owner of record of real property with a single owner; or

(2) to at least one (1) of the owners of real property with multiple owners;

at the last address of the owner for the property as indicated in the records of the county auditor. The county auditor shall prepare the notice in the form prescribed by the state board of accounts. The notice must set forth the key number, if any, of the real property and a street address, if any, or other common description of the property other than a legal description. The notice must include the statement set forth in section 2(a)(4) of this chapter. The county auditor must present proof of this mailing to the court along with the application for judgment and order for sale. Failure by an owner to receive or accept the notice required by this section does not affect the validity of the judgment and order. The owner of real property shall notify the county auditor of the owner's correct address. The notice required under this section is considered sufficient if the notice is mailed to the address required by this section.

(b) ~~This subsection applies to a county having a consolidated city.~~ In addition to the notice required under subsection (a) for real property on the list prepared under ~~section 1.5(e)~~ **section 1.5(f)** of this chapter, the county auditor shall prepare and mail the notice required under section 2.2 of this chapter no later than August 15 in the year in which the property is to be sold under this chapter.

(c) On or before the day of sale, the county auditor shall list, on the tax sale record required by IC 6-1.1-25-8, all properties that will be

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offered for sale.

SECTION 4. IC 6-1.1-24-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.1. (a) This section applies to ~~a county having a consolidated city~~; **all counties**.

(b) The owner of real property placed on the list prepared by the county auditor under ~~section 1.5(e)~~ **section 1.5(f)** of this chapter may file an affidavit with the county auditor no later than twenty (20) days after the date of the notice. The affidavit must state under affirmation that the residential structure located on the property:

(1) is habitable under state law and any ordinance of the political subdivision where the property is located; and

(2) has been occupied as a permanent residence for the six (6) month period preceding receipt of the notice.

(c) The county auditor may conduct a hearing to determine the accuracy of the statements made in the affidavit.

(d) If the county auditor determines that the statements made in the affidavit filed under subsection (b) are correct, the auditor shall remove the property from the list prepared under ~~section 1.5(e)~~ **section 1.5(f)** of this chapter and restore the property to the delinquent tax list prepared under section 1 of this chapter.

SECTION 5. IC 6-1.1-24-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.5. (a) The county auditor shall also provide those agencies under IC 36-7-17, in that county, with a list of tracts or items of real property on which one (1) or more installments of taxes is delinquent by June 15 of the year following the date the delinquency occurred.

(b) ~~This subsection applies to a county having a consolidated city.~~ The county auditor shall prepare a list of tracts or items of real properties for which at least one (1) installment of taxes is delinquent at least ten (10) months. The auditor shall submit a copy of this list to the ~~metropolitan development~~ commission **(as defined in section 1.5 of this chapter)** no later than one hundred six (106) days prior to the date on which application for judgment and order for sale is made.

SECTION 6. IC 6-1.1-24-5.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.3. (a) This section applies to the following:

(1) A person who, **in the county in which a sale is held under this chapter**, owes:

(A) delinquent taxes;

(B) special assessments;

(C) penalties;

(D) interest; or

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- (E) costs directly attributable to a prior tax sale;
- (F) amounts from a final adjudication in favor of a political subdivision related to property;
- (G) any civil penalties imposed for the violation of a building code or ordinance; or
- (H) civil penalties imposed by a local health department related to property;

on a tract **or an item** of real property listed under section 1 of this chapter.

(2) A person to whom an order has been issued under IC 36-7-9.

~~(2)~~ (3) A person who is an agent of the person described in subdivision (1) **or (2).**

(b) A person subject to this section may not purchase a tract offered for sale under section 5 or 5.5 of this chapter.

(c) If a person purchases a tract that the person was not eligible to purchase under this section, the sale of the property is void. The county treasurer shall apply the amount of the person's bid to the person's delinquent taxes, **special assessments, penalties, interest, amounts owed from final adjudication in favor of a political subdivision, and civil penalties**, and offer the real property for sale again under this chapter.

SECTION 7. IC 6-1.1-24-6.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.1. (a) The county commissioners may:

- (1) by resolution, identify properties:
 - (A) that are described in section 6.7(a) of this chapter; and
 - (B) concerning which the county commissioners desire to offer to the public the certificates of sale acquired by the county under section 6 of this chapter;
- (2) publish notice in accordance with IC 5-3-1 of the date, time, and place for a public sale of the certificates of sale that is not earlier than ninety (90) days after the last date the notice is published; and
- (3) sell each certificate of sale covered by the resolution for a price that:
 - (A) is less than the minimum sale price prescribed by section 5(e) of this chapter; and
 - (B) includes any costs to the county directly attributable to the sale of the certificate of sale.

(b) Notice of the list of properties prepared under subsection (a) and the date, time, and place for the public sale of the certificates of sale

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shall be published in accordance with IC 5-3-1. The notice must:

(1) include a description of the property by parcel number and common address;

(2) specify that the county commissioners will accept bids for the certificates of sale for the price referred to in subsection (a)(3);

(3) specify the minimum bid for each parcel;

(4) include a statement that a person redeeming each tract or item of real property after the sale of the certificate must pay:

(A) the amount of the minimum bid under section 5(e) of this chapter for which the tract or item of real property was last offered for sale;

(B) ten percent (10%) of the amount for which the certificate is sold;

(C) the attorney's fees and costs of giving notice under IC 6-1.1-25-4.5;

(D) the costs of a title search or of examining and updating the abstract of title for the tract or item of real property; ~~and~~

(E) all taxes and special assessments on the tract or item of real property paid by the purchaser after the sale of the certificate plus interest at the rate of ten percent (10%) per annum on the amount of taxes and special assessments paid by the purchaser on the redeemed property; **and**

(F) the costs of expenditures made by the purchaser in taking any action under section 9(d) of this chapter; and

(5) include a statement that, if the certificate is sold for an amount more than the minimum bid under section 5(e) of this chapter for which the tract or item of real property was last offered for sale and the property is not redeemed, the owner of record of the tract or item of real property who is divested of ownership at the time the tax deed is issued may have a right to the tax sale surplus.

SECTION 8. IC 6-1.1-24-6.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.5. (a) This section applies to ~~a county having a consolidated city~~; **all counties**.

(b) Whenever real property on the list prepared under section 1.5 of this chapter:

(1) is offered for sale under this chapter; and

(2) does not receive a bid for at least the amount required under section 5 of this chapter;

the auditor shall notify the ~~metropolitan development~~ commission **(as defined in section 1.5 of this chapter)** that the real property has been offered for sale under this chapter and that an adequate bid has not been received.

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(c) The ~~metropolitan development~~ commission shall, within a reasonable time after receiving notice under subsection (b), identify any property described under subsection (b) that the ~~metropolitan development~~ commission desires to acquire for urban homesteading under IC 36-7-17 or redevelopment purposes under **IC 36-7-14 or IC 36-7-15.1**. The ~~metropolitan development~~ commission shall then provide the county auditor with a list of the properties identified under this subsection.

(d) The county auditor shall execute and deliver a deed for any property identified under subsection (c) to the ~~metropolitan development~~ commission, subject to IC 6-1.1-25. Properties identified under subsection (c) but not acquired by the ~~metropolitan development~~ commission shall be restored to the delinquent list prepared under section 1 of this chapter.

(e) The county acquires a lien under section 6 of this chapter for any property that is:

- (1) not identified under subsection (c); and
- (2) offered for sale under this chapter for two (2) consecutive sales.

(f) The ~~metropolitan development~~ commission may not pay for any property acquired under subsection (d). However, a taxing unit having an interest in the taxes on the real property shall be credited with the full amount of the delinquent tax due to that unit.

SECTION 9. IC 6-1.1-24-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) Immediately after a tax sale purchaser pays the bid, as evidenced by the receipt of the county treasurer, or immediately after the county acquires a lien under section 6 of this chapter, the county auditor shall deliver a certificate of sale to the purchaser or to the county or to the city. The certificate shall be signed by the auditor and registered in the auditor's office. The certificate shall contain:

- (1) a description of real property that corresponds to the description used on the notice of sale;
- (2) the name of:
 - (A) the owner of record at the time of the sale of real property with a single owner; or
 - (B) at least one (1) of the owners of real property with multiple owners;
- (3) the mailing address of the owner of the real property sold as indicated in the records of the county auditor;
- (4) the name of the purchaser;
- (5) the date of sale;

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- (6) the amount for which the real property was sold;
- (7) the amount of the minimum bid for which the tract or real property was offered at the time of sale as required by section 5 of this chapter;
- (8) the date when the period of redemption specified in IC 6-1.1-25-4 will expire;
- (9) the court cause number under which judgment was obtained; and
- (10) the street address, if any, or common description of the real property.

(b) When a certificate of sale is issued under this section, the purchaser acquires a lien against the real property for the entire amount paid. The lien of the purchaser is superior to all liens against the real property which exist at the time the certificate is issued.

(c) A certificate of sale is assignable. However, an assignment is not valid unless it is endorsed on the certificate of sale, acknowledged before an officer authorized to take acknowledgments of deeds, and registered in the office of the county auditor. When a certificate of sale is assigned, the assignee acquires the same rights and obligations that the original purchaser acquired.

(d) After a certificate of sale is issued to a purchaser, the purchaser may do any of the following:

- (1) Inspect the property.**
- (2) Perform any repair necessary to satisfy an order issued under IC 36-7-9.**
- (3) Perform any act necessary to abate a public nuisance.**

(e) If a purchaser takes any action under subsection (d), the purchaser must provide notice to the owner of record listed on the certificate of sale under subsection (a)(2) and to the county auditor. The notice must include an itemized list of expenditures made by the purchaser in taking an action under subsection (d).

SECTION 10. IC 6-1.1-25-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The total amount of money required for the redemption of real property equals:

- (1) the sum of the amounts prescribed in subsections (b) through (e); or
- (2) the amount prescribed in subsection (f);

reduced by any amounts held in the name of the taxpayer or the purchaser in the tax sale surplus fund.

(b) Except as provided in subsection (f), the total amount required for redemption includes:

- (1) one hundred ten percent (110%) of the minimum bid for

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which the tract or real property was offered at the time of sale, as required by IC 6-1.1-24-5, if the tract or item of real property is redeemed not more than six (6) months after the date of sale; or (2) one hundred fifteen percent (115%) of the minimum bid for which the tract or real property was offered at the time of sale, as required by IC 6-1.1-24-5, if the tract or item of real property is redeemed more than six (6) months but not more than one (1) year after the date of sale.

(c) Except as provided in subsection (f), in addition to the amount required under subsection (b), the total amount required for redemption includes the amount by which the purchase price exceeds the minimum bid on the real property plus ten percent (10%) per annum on the amount by which the purchase price exceeds the minimum bid on the property.

(d) Except as provided in subsection (f), in addition to the amount required under subsections (b) and (c), the total amount required for redemption includes all taxes and special assessments upon the property paid by the purchaser after the sale plus ten percent (10%) interest per annum on those taxes and special assessments.

(e) Except as provided in subsection (f), in addition to the amounts required under subsections (b), (c), and (d), the total amount required for redemption includes the following costs, if certified before redemption by the payor to the county auditor on a form prescribed by the state board of accounts, that were incurred and paid by the purchaser, the purchaser's assignee, or the county, before redemption:

- (1) The attorney's fees and costs of giving notice under section 4.5 of this chapter.
- (2) The costs of a title search or of examining and updating the abstract of title for the tract or item of real property.

(3) The costs of expenditures made by the purchaser in taking any action under IC 6-1.1-24-9(d).

(f) With respect to a tract or item of real property redeemed under section 4(c) of this chapter, instead of the amounts stated in subsections (b) through (e), the total amount required for redemption is the amount determined under IC 6-1.1-24-6.1(b)(4).

SECTION 11. IC 6-1.1-25-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.5. (a) This section applies to ~~a county having a consolidated city~~ **all counties**.

(b) The county auditor shall provide the ~~metropolitan development~~ commission **(as defined in IC 6-1.1-24-1.5)** with a list of real property:

- (1) included on the list prepared under IC 6-1.1-24-1.5;
- (2) for which a certificate of sale has been issued; and

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(3) for which the holder of the certificate has not requested the county auditor to execute and deliver a deed.

(c) The ~~metropolitan development~~ commission shall, within a reasonable time after receiving a list under subsection (b), identify any property described under subsection (b) that the ~~metropolitan development~~ commission desires to acquire for urban homesteading under IC 36-7-17 or redevelopment purposes under **IC 36-7-14 or** IC 36-7-15.1. The ~~metropolitan development~~ commission shall then provide the county auditor with a list of the properties identified under this subsection.

(d) The county auditor shall execute and deliver a deed for any property identified under subsection (c) to the ~~metropolitan development~~ commission.

(e) The county auditor shall execute and deliver a deed to the county for any property:

(1) included in the notice prepared under subsection (b); and

(2) not identified under subsection (c).

(f) The ~~metropolitan development~~ commission and the county may not pay for any property acquired under subsection (d) or (e). However, a taxing unit having an interest in the taxes on the real property shall be credited with the full amount of the delinquent tax due to that unit.

SECTION 12. IC 36-7-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. "Blighted area" means an area in which normal development and occupancy are undesirable or impossible because of:

(1) lack of development;

(2) cessation of growth;

(3) deterioration of improvements;

(4) character of occupancy;

~~(5) age;~~

~~(6) (5)~~ obsolescence;

~~(7) (6)~~ substandard buildings; or

~~(8) (7)~~ other factors that impair values or prevent a normal use or development of property.

SECTION 13. IC 36-7-9-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) If all or any part of the costs listed in section 12 of this chapter remain unpaid for any unsafe premises (other than unsafe premises owned by a governmental entity) for more than fifteen (15) days after the completion of the work, the enforcement authority does not act under section 13.5 of this chapter, and the enforcement authority determines that there is a reasonable probability of obtaining recovery, the enforcement authority

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shall prepare a record stating:

- (1) the name and last known address of each person who held a fee interest, life estate interest, or equitable interest of a contract purchaser in the unsafe premises from the time the order requiring the work to be performed was recorded to the time that the work was completed;
- (2) the legal description or address of the unsafe premises that were the subject of work;
- (3) the nature of the work that was accomplished;
- (4) the amount of the unpaid bid price of the work that was accomplished; and
- (5) the amount of the unpaid average processing expense.

The record must be in a form approved by the state board of accounts.

(b) The enforcement authority, or its head, shall swear to the accuracy of the record before the clerk of the circuit court and deposit the record in the clerk's office. Notice that the record has been filed and that a hearing on the amounts indicated in the record may be held must be sent to the persons named in the record, in the manner prescribed by section 25 of this chapter.

(c) If, within thirty (30) days after the notice required by subsection (b), a person named in the record files with the clerk of the circuit court a written petition objecting to the claim for payment and requesting a hearing, the clerk shall enter the cause on the docket of the circuit or superior court as a civil action, and a hearing shall be held on the question in the manner prescribed by IC 4-21.5. However, issues that could have been determined under section 8 of this chapter may not be entertained at the hearing. At the conclusion of the hearing, the court shall either sustain the petition or enter a judgment against the persons named in the record for the amounts recorded or for modified amounts.

(d) If no petition is filed under subsection (c), the clerk of the circuit court shall enter the cause on the docket of the court, and the court shall enter a judgment for the amounts stated in the record.

(e) A judgment under subsection (c) or (d), to the extent that it is not satisfied under IC 27-2-15, is a debt and a lien on all the real and personal property of the person named, or a joint and several debt and lien on the real and personal property of the **following**:

- (1) **The persons named.**
- (2) **An officer or director of the persons named.**
- (3) **A shareholder, partner, member, or other person that owns more than a ten percent (10%) interest in the persons named.**

(f) The lien on real property is perfected against all creditors and

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1 purchasers when the judgment is entered on the judgment docket of the
 2 court. The lien on personal property is perfected by filing a lis pendens
 3 notice in the appropriate filing office, as prescribed by the Indiana
 4 Rules of Trial Procedure.

5 (f)(g) Judgments rendered under this section may be enforced in the
 6 same manner as all other judgments are enforced.

7 SECTION 14. IC 36-7-14-20 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 20. (a) If the
 9 redevelopment commission considers it necessary to acquire real
 10 property in a blighted area by the exercise of the power of eminent
 11 domain, ~~they~~ **the commission** shall adopt a resolution setting out ~~their~~
 12 **its** determination to exercise that power and directing ~~their~~ **its** attorney
 13 to file a petition in the name of the unit on behalf of the department of
 14 redevelopment, in the circuit or superior court of the county in which
 15 the property is situated.

16 (b) Eminent domain proceedings under this section are governed by
 17 IC 32-24 and other applicable statutory provisions for the exercise of
 18 the power of eminent domain. Property already devoted to a public use
 19 may be acquired under this section, but property belonging to the state
 20 or any political subdivision may not be acquired without its consent.
 21 **The appraisal under IC 32-24 of real property that the commission**
 22 **seeks to acquire under this section and the determination under**
 23 **IC 32-24 of the real property's fair market value must take into**
 24 **account the full cost to either:**

25 (1) rehabilitate; or

26 (2) demolish;

27 **real property improvements, including the costs of construction,**
 28 **demolition, fees, investigations, and legal and marketing expenses.**
 29 **The appraiser must determine what the market value will be for**
 30 **the reused property after the rehabilitation or demolition, taking**
 31 **into account the market conditions particular to the neighborhood**
 32 **or subarea of the municipality in which the property is located.**

33 (c) The court having jurisdiction shall direct the clerk of the circuit
 34 court to execute a deed conveying the title of real property acquired
 35 under this section to the unit for the use and benefit of its department
 36 of redevelopment.

37 SECTION 15. IC 36-7-14-32.5 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 32.5. (a) The
 39 commission may acquire a parcel of real property by the exercise of
 40 eminent domain when the real property has all of the following
 41 characteristics:

42 (1) The real property is an unsafe building (as defined in

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IC 36-7-9-4) and is subject to an order issued under IC 36-7-9-5.

(2) The owner of the real property has not complied with the order issued under IC 36-7-9-5.

(3) The real property is not being used as a residence or for a business enterprise.

(4) The real property is capable of being developed or rehabilitated to provide affordable housing for low or moderate income families or to provide other development that will benefit or serve low or moderate income families.

(5) The unsafe condition of the real property has a negative impact on the use or value of the neighboring properties or other properties in the community.

(b) The commission or the commission's designated hearing examiner shall conduct a public meeting to determine whether a parcel of real property has the characteristics set forth in subsection (a). Each person holding a fee or life estate interest of record in the property must be given notice by first class mail of the time and date of the hearing at least ten (10) days before the hearing and is entitled to present evidence and make arguments at the hearing.

(c) If the commission considers it necessary to acquire real property under this section, the commission shall adopt a resolution setting out the commission's determination to exercise that power and directing the commission's attorney to file a petition in the name of the city on behalf of the department in the circuit or superior court with jurisdiction in the county.

(d) Eminent domain proceedings under this section are governed by IC 32-24. **The appraisal under IC 32-24 of real property that the commission seeks to acquire under this section and the determination under IC 32-24 of the real property's fair market value must take into account the full cost to either:**

(1) rehabilitate; or

(2) demolish;

real property improvements, including the costs of construction, demolition, fees, investigations, and legal and marketing expenses. The appraiser must determine what the market value will be for the reused property after the rehabilitation or demolition, taking into account the market conditions particular to the neighborhood or subarea of the municipality in which the property is located.

(e) The commission shall use real property acquired under this section for one (1) of the following purposes:

(1) Sale in an urban homestead program under IC 36-7-17.

(2) Sale to a family whose income is at or below the county's

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1 median income for families.

2 (3) Sale or grant to a neighborhood development corporation with
3 a condition in the granting clause of the deed requiring the
4 nonprofit development corporation to lease or sell the property to
5 a family whose income is at or below the county's median income
6 for families or to cause development that will serve or benefit
7 families whose income is at or below the unit's median income for
8 families.

9 (4) Any other purpose appropriate under this chapter so long as
10 it will serve or benefit families whose income is at or below the
11 unit's median income for families.

12 (f) A neighborhood development corporation or nonprofit
13 corporation that receives property under this section must agree to
14 rehabilitate or otherwise develop the property in a manner that is
15 similar to and consistent with the use of the other properties in the area
16 served by the corporation.

17 SECTION 16. IC 36-7-15.1-22.5 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 22.5. (a) The
19 commission may acquire a parcel of real property by the exercise of
20 eminent domain when the following conditions exist:

21 (1) The real property is an unsafe premises (as defined in
22 IC 36-7-9) and is subject to an order issued under IC 36-7-9 or a
23 notice of violation issued by the county's health and hospital
24 corporation under its powers under IC 16-22-8.

25 (2) The real property is not being used as a residence or for a
26 business enterprise.

27 (3) The real property is capable of being developed or
28 rehabilitated to provide affordable housing for low or moderate
29 income families or to provide other development that will benefit
30 or serve low or moderate income families.

31 (4) The blighted condition of the real property has a negative
32 impact on the use or value of the neighboring properties or other
33 properties in the community.

34 (b) The commission or its designated hearing examiner shall
35 conduct a public meeting to determine whether the conditions set forth
36 in subsection (a) exist relative to a parcel of real property. Each person
37 holding a fee or life estate interest of record in the property must be
38 given notice by first class mail of the time and date of the hearing at
39 least ten (10) days before the hearing, and is entitled to present
40 evidence and make arguments at the hearing.

41 (c) If the commission considers it necessary to acquire real property
42 under this section, it shall adopt a resolution setting out its

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determination to exercise that power and directing its attorney to file a petition in the name of the city on behalf of the department in the circuit or superior court in the county.

(d) **Except as provided in subsection (h),** eminent domain proceedings under this section are governed by IC 32-24.

(e) The commission shall use real property acquired under this section for one (1) of the following purposes:

(1) Sale in an urban homestead program under IC 36-7-17.

(2) Sale to a family whose income is at or below the county's median income for families.

(3) Sale or grant to a neighborhood development corporation or other nonprofit corporation, with a condition in the granting clause of the deed requiring the nonprofit organization to lease or sell the property to a family whose income is at or below the county's median income for families or to cause development that will serve or benefit families whose income is at or below the county's median income for families. However, a nonprofit organization is eligible for a sale or grant under this subdivision only if the county fiscal body has determined that the nonprofit organization meets the criteria established under subsection (f).

(4) Any other purpose appropriate under this chapter so long as it will serve or benefit families whose income is at or below the county's median income for families.

(f) The county fiscal body shall establish criteria for determining the eligibility of neighborhood development corporations and other nonprofit corporations for sales and grants of real property under subsection (e)(3). A neighborhood development corporation or other nonprofit corporation may apply to the county fiscal body for a determination concerning the corporation's compliance with the criteria established under this subsection.

(g) A neighborhood development corporation or nonprofit corporation that receives property under this section must agree to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the area served by the corporation.

(h) The appraisal under IC 32-24 of real property that the commission seeks to acquire under this section and the determination under IC 32-24 of the real property's fair market value must take into account the full cost to either:

(1) rehabilitate; or

(2) demolish;

real property improvements, including the costs of construction,

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1 demolition, fees, investigations, and legal and marketing expenses.
 2 The appraiser must determine what the market value will be for
 3 the reused property after the rehabilitation or demolition, taking
 4 into account the market conditions particular to the neighborhood
 5 or subarea of the municipality in which the property is located.

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COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Senate Bill No. 524, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-24-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.5. (a) This section applies to ~~a county having a consolidated city~~; **all counties**.

(b) As used in this section, "commission" means the following:

(1) The metropolitan development commission in a county containing a consolidated city.

(2) The county executive or the county executive's designee in a county not containing a consolidated city.

~~(b)~~ **(c)** The ~~metropolitan development~~ commission shall designate the real property on the list prepared under section 4.5(b) of this chapter that is eligible for listing on the list prepared under subsection ~~(d)~~; **(e)**.

~~(c)~~ **(d)** The commission may designate real property for inclusion on the list if the commission finds that the real property:

(1) is an unsafe premises as determined under IC 36-7-9 and is subject to:

(A) an order issued under IC 36-7-9; ~~or~~

(B) a notice of violation issued by the county's health and hospital corporation under IC 16-22-8 **in a county containing a consolidated city; or**

(C) a notice of violation issued by the county health department in a county not containing a consolidated city;

(2) is not being used as a residence or for a business enterprise; and

(3) is suitable for rehabilitation or development that will benefit or serve low or moderate income families.

~~(d)~~ **(e)** The commission shall prepare a list of properties designated under subsection ~~(b)~~ **(c)** and certify the list to the county auditor no later than sixty-one (61) days prior to the earliest date on which application for judgment and order for sale may be made.

~~(e)~~ **(f)** Upon receiving the list described in subsection ~~(d)~~; **(e)**, the county auditor shall:

(1) prepare a list of the properties certified by the commission; and

(2) delete any property described in that list from the delinquent

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tax list prepared under section 1 of this chapter.

~~(f)~~ (g) If the county auditor receives an owner's affidavit under section 4.1 of this chapter, the auditor shall, upon determining that the information contained in the affidavit is correct, remove the property from the list prepared under subsection ~~(e)~~ (f) and restore the property to the list prepared under section 1 of this chapter.

SECTION 2. IC 6-1.1-24-2.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.2. (a) This section applies to ~~a county having a consolidated city~~ **all counties**.

(b) Whenever a notice required under section 2 of this chapter includes real property on the list prepared under ~~section 1.5(e)~~ **section 1.5(f)** of this chapter, the notice must also contain a statement that:

(1) the property is on the alternate list prepared under ~~section 1.5(e)~~ **section 1.5(f)** of this chapter;

(2) the owner of the property may file an affidavit with the county auditor no later than twenty (20) days following the date of the notice indicating that the residential structure located on the property is:

(A) habitable under state law and any ordinance of the political subdivision where the property is located; and

(B) has been occupied as a permanent residence for the six (6) month period preceding the date of the notice;

(3) if the auditor determines that the statements made in the affidavit are correct, the auditor will remove the property from the list prepared under ~~section 1.5(e)~~ **section 1.5(f)** of this chapter and restore the parcel to the delinquent tax list prepared under section 1 of this chapter;

(4) if the property is not redeemed within one hundred twenty (120) days after the date of sale the county auditor shall execute and deliver a deed for the property to the purchaser or purchaser's assignee; and

(5) if the property is offered for sale and a bid is not received for at least the amount required under section 5 of this chapter, the county auditor may execute and deliver a deed for the property to the purchasing agency under IC 36-7-17, subject to IC 6-1.1-25.

SECTION 3. IC 6-1.1-24-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) Not less than twenty-one (21) days before the earliest date on which the application for judgment and order for sale of real property eligible for sale may be made, the county auditor shall send a notice of the sale by certified mail to:

(1) the owner of record of real property with a single owner; or

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(2) to at least one (1) of the owners of real property with multiple owners;

at the last address of the owner for the property as indicated in the records of the county auditor. The county auditor shall prepare the notice in the form prescribed by the state board of accounts. The notice must set forth the key number, if any, of the real property and a street address, if any, or other common description of the property other than a legal description. The notice must include the statement set forth in section 2(a)(4) of this chapter. The county auditor must present proof of this mailing to the court along with the application for judgment and order for sale. Failure by an owner to receive or accept the notice required by this section does not affect the validity of the judgment and order. The owner of real property shall notify the county auditor of the owner's correct address. The notice required under this section is considered sufficient if the notice is mailed to the address required by this section.

(b) ~~This subsection applies to a county having a consolidated city.~~ In addition to the notice required under subsection (a) for real property on the list prepared under ~~section 1.5(e)~~ **section 1.5(f)** of this chapter, the county auditor shall prepare and mail the notice required under section 2.2 of this chapter no later than August 15 in the year in which the property is to be sold under this chapter.

(c) On or before the day of sale, the county auditor shall list, on the tax sale record required by IC 6-1.1-25-8, all properties that will be offered for sale.

SECTION 4. IC 6-1.1-24-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.1. (a) This section applies to ~~a county having a consolidated city.~~ **all counties.**

(b) The owner of real property placed on the list prepared by the county auditor under ~~section 1.5(e)~~ **section 1.5(f)** of this chapter may file an affidavit with the county auditor no later than twenty (20) days after the date of the notice. The affidavit must state under affirmation that the residential structure located on the property:

- (1) is habitable under state law and any ordinance of the political subdivision where the property is located; and
- (2) has been occupied as a permanent residence for the six (6) month period preceding receipt of the notice.

(c) The county auditor may conduct a hearing to determine the accuracy of the statements made in the affidavit.

(d) If the county auditor determines that the statements made in the affidavit filed under subsection (b) are correct, the auditor shall remove the property from the list prepared under ~~section 1.5(e)~~ **section 1.5(f)**

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of this chapter and restore the property to the delinquent tax list prepared under section 1 of this chapter.

SECTION 5. IC 6-1.1-24-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.5. (a) The county auditor shall also provide those agencies under IC 36-7-17, in that county, with a list of tracts or items of real property on which one (1) or more installments of taxes is delinquent by June 15 of the year following the date the delinquency occurred.

(b) ~~This subsection applies to a county having a consolidated city.~~ The county auditor shall prepare a list of tracts or items of real properties for which at least one (1) installment of taxes is delinquent at least ten (10) months. The auditor shall submit a copy of this list to the ~~metropolitan development~~ commission **(as defined in section 1.5 of this chapter)** no later than one hundred six (106) days prior to the date on which application for judgment and order for sale is made.

SECTION 6. IC 6-1.1-24-5.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.3. (a) This section applies to the following:

(1) A person who, **in the county in which a sale is held under this chapter**, owes:

- (A) delinquent taxes;
- (B) special assessments;
- (C) penalties;
- (D) interest; ~~or~~
- (E) costs directly attributable to a prior tax sale;
- (F) amounts from a final adjudication in favor of a political subdivision related to property;**
- (G) any civil penalties imposed for the violation of a building code or ordinance; or**
- (H) civil penalties imposed by a local health department related to property;**

on a tract ~~or an item~~ of real property listed under section 1 of this chapter.

(2) A person to whom an order has been issued under IC 36-7-9.

~~(2)~~ (3) A person who is an agent of the person described in subdivision (1) **or (2).**

(b) A person subject to this section may not purchase a tract offered for sale under section 5 or 5.5 of this chapter.

(c) If a person purchases a tract that the person was not eligible to purchase under this section, the sale of the property is void. The county treasurer shall apply the amount of the person's bid to the person's

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delinquent taxes, **special assessments, penalties, interest, amounts owed from final adjudication in favor of a political subdivision, and civil penalties**, and offer the real property for sale again under this chapter."

Page 2, delete lines 1 through 11.

Page 3, delete lines 20 through 42, begin a new paragraph and insert:

"SECTION 8. IC 6-1.1-24-6.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.5. (a) This section applies to ~~a county having a consolidated city~~ **all counties**.

(b) Whenever real property on the list prepared under section 1.5 of this chapter:

- (1) is offered for sale under this chapter; and
- (2) does not receive a bid for at least the amount required under section 5 of this chapter;

the auditor shall notify the ~~metropolitan development~~ commission (**as defined in section 1.5 of this chapter**) that the real property has been offered for sale under this chapter and that an adequate bid has not been received.

(c) The ~~metropolitan development~~ commission shall, within a reasonable time after receiving notice under subsection (b), identify any property described under subsection (b) that the ~~metropolitan development~~ commission desires to acquire for urban homesteading under IC 36-7-17 or redevelopment purposes under **IC 36-7-14 or IC 36-7-15.1**. The ~~metropolitan development~~ commission shall then provide the county auditor with a list of the properties identified under this subsection.

(d) The county auditor shall execute and deliver a deed for any property identified under subsection (c) to the ~~metropolitan development~~ commission, subject to IC 6-1.1-25. Properties identified under subsection (c) but not acquired by the ~~metropolitan development~~ commission shall be restored to the delinquent list prepared under section 1 of this chapter.

(e) The county acquires a lien under section 6 of this chapter for any property that is:

- (1) not identified under subsection (c); and
- (2) offered for sale under this chapter for two (2) consecutive sales.

(f) The ~~metropolitan development~~ commission may not pay for any property acquired under subsection (d). However, a taxing unit having an interest in the taxes on the real property shall be credited with the full amount of the delinquent tax due to that unit."

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Page 4, delete lines 1 through 6.

Page 5, line 4, delete "under this" and insert ",".

Page 5, line 5, delete "section,".

Page 5, line 5, delete "enter the property at a reasonable time".

Page 5, line 6, delete "to".

Page 5, delete lines 8 through 11, begin a new line block indented and insert:

"(2) Perform any repair necessary to satisfy an order issued under IC 36-7-9."

Page 5, line 13, delete "enters the property under subsection (d) or".

Page 6, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 11. IC 6-1.1-25-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.5. (a) This section applies to ~~a county having a consolidated city~~; **all counties**.

(b) The county auditor shall provide the ~~metropolitan development~~ commission **(as defined in IC 6-1.1-24-1.5)** with a list of real property:

- (1) included on the list prepared under IC 6-1.1-24-1.5;
- (2) for which a certificate of sale has been issued; and
- (3) for which the holder of the certificate has not requested the county auditor to execute and deliver a deed.

(c) The ~~metropolitan development~~ commission shall, within a reasonable time after receiving a list under subsection (b), identify any property described under subsection (b) that the ~~metropolitan development~~ commission desires to acquire for urban homesteading under IC 36-7-17 or redevelopment purposes under **IC 36-7-14 or IC 36-7-15.1**. The ~~metropolitan development~~ commission shall then provide the county auditor with a list of the properties identified under this subsection.

(d) The county auditor shall execute and deliver a deed for any property identified under subsection (c) to the ~~metropolitan development~~ commission.

(e) The county auditor shall execute and deliver a deed to the county for any property:

- (1) included in the notice prepared under subsection (b); and
- (2) not identified under subsection (c).

(f) The ~~metropolitan development~~ commission and the county may not pay for any property acquired under subsection (d) or (e). However, a taxing unit having an interest in the taxes on the real property shall be credited with the full amount of the delinquent tax due to that unit."

Page 7, line 26, delete ", manager,".

Page 8, line 12, delete "following:" and insert **"full cost to either:**

- (1) rehabilitate; or**

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(2) demolish;

real property improvements, including the costs of construction, demolition, fees, investigations, and legal and marketing expenses. The appraiser must determine what the market value will be for the reused property after the rehabilitation or demolition, taking into account the market conditions particular to the neighborhood or subarea of the municipality in which the property is located."

Page 8, delete lines 13 through 18.

Page 9, line 16, delete "following:" and insert "**full cost to either:**

(1) rehabilitate; or

(2) demolish;

real property improvements, including the costs of construction, demolition, fees, investigations, and legal and marketing expenses. The appraiser must determine what the market value will be for the reused property after the rehabilitation or demolition, taking into account the market conditions particular to the neighborhood or subarea of the municipality in which the property is located."

Page 9, delete lines 17 through 22.

Page 11, line 23, delete "following:" and insert "**full cost to either:**

(1) rehabilitate; or

(2) demolish;

real property improvements, including the costs of construction, demolition, fees, investigations, and legal and marketing expenses. The appraiser must determine what the market value will be for the reused property after the rehabilitation or demolition, taking into account the market conditions particular to the neighborhood or subarea of the municipality in which the property is located."

Page 11, delete lines 24 through 29.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 524 as introduced.)

RIEGSECKER, Chairperson

Committee Vote: Yeas 9, Nays 0.

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SENATE MOTION

Madam President: I move that Senate Bill 524 be amended to read as follows:

Page 10, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 12. IC 36-7-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. "Blighted area" means an area in which normal development and occupancy are undesirable or impossible because of:

- (1) lack of development;
- (2) cessation of growth;
- (3) deterioration of improvements;
- (4) character of occupancy;
- ~~(5) age;~~
- ~~(6)~~ (5) obsolescence;
- ~~(7)~~ (6) substandard buildings; or
- ~~(8)~~ (7) other factors that impair values or prevent a normal use or development of property."

Renumber all SECTIONS consecutively.

(Reference is to SB 524 as printed February 25, 2005.)

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